

GOVERNMENT CODE

TITLE 9. PUBLIC SECURITIES

SUBTITLE I. SPECIFIC AUTHORITY FOR COUNTIES TO ISSUE SECURITIES

CHAPTER 1477. OBLIGATIONS FOR OTHER COUNTY PURPOSES

SUBCHAPTER A. BONDS FOR FACILITIES TO BE LEASED TO PUBLIC OR PRIVATE ENTITIES

Sec. 1477.001. AUTHORITY TO ACQUIRE PROPERTY FOR LEASE TO PUBLIC OR PRIVATE ENTITY. (a) The commissioners court of a county may acquire real property and may construct or acquire a building or other facility for the purpose of leasing the real property, building, or other facility to:

(1) a political subdivision or state agency for public use; or

(2) an individual, private corporation, or other private entity for use in manufacturing or another commercial activity.

(b) The commissioners court may not acquire real property under Subsection (a) by eminent domain.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.002. AUTHORITY TO ISSUE BONDS. To develop and diversify the economy of this state and eliminate unemployment or underemployment in this state under the authority granted by Section 52-a, Article III, Texas Constitution, the commissioners court may issue and sell bonds to finance an action taken under Section 1477.001.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.003. BOND PAYMENTS FROM REVENUE OR TAXES. The commissioners court may provide for payment of the principal of and interest on bonds issued under this subchapter by:

(1) pledging all or part of the revenue from a lease of all or part of the real property, building, or other facility financed by the bonds, after deduction of reasonable operation and maintenance costs;

- (2) imposing an annual ad valorem tax; or
- (3) combining those sources.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.004. ELECTION REQUIRED TO SECURE BONDS WITH TAXES. A county may not issue bonds under this subchapter that are payable in whole or in part from ad valorem taxes unless the bonds are authorized by a majority of the registered voters of the county voting on the issue.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.005. CONTENTS OF ORDINANCE, ORDER, OR RESOLUTION AUTHORIZING BONDS. In the ordinance, order, or resolution authorizing the issuance of bonds under this subchapter, the commissioners court may:

- (1) provide for the deposit and accounting of funds and the establishment and maintenance of an interest and sinking fund, a reserve fund, or other fund; and

- (2) make additional covenants relating to the:

- (A) bonds;

- (B) pledged revenue; or

- (C) operation and maintenance of any real property, building, or other facility, the revenue of which is pledged for bond payments.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.006. ADOPTION AND EXECUTION OF DOCUMENTS. The commissioners court may adopt and have executed any proceeding or instrument necessary and convenient:

- (1) in the issuance of a bond under this subchapter;

or

- (2) in the acquisition and lease of any real property, building, or other facility under Section [1477.001](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.007. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.008. IMPOSITION OF TAX. (a) The commissioners court may annually impose ad valorem taxes to pay the principal of and interest on bonds issued under this subchapter that are payable in whole or in part from ad valorem taxes only if the taxes are approved at an election held under Section [1477.004](#).

(b) The commissioners court may not impose ad valorem taxes to pay the principal of or interest on bonds issued under this subchapter payable wholly from revenue from one or more leases or other contracts made under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.009. GRANTS FOR PRISONS OR LAW ENFORCEMENT FACILITIES NOT PROHIBITED. This subchapter does not prohibit a county from making a grant of money or property to an agency of the state to assist the agency in acquiring or developing a site for a:

- (1) prison;
- (2) law enforcement detention facility; or
- (3) community corrections facility as defined by Section [509.001](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER B. BONDS FOR WATER SUPPLY FOR COUNTY PURPOSES

Sec. 1477.051. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county that adopted the law codified by this subchapter by a unanimous vote of the members of the commissioners court before September 2, 1963.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.052. DEFINITION. In this subchapter, "project" means any acquisition, construction, repair, or maintenance authorized and undertaken under Section [1477.053](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.053. AUTHORITY TO ACQUIRE WATER SUPPLY. (a) The

commissioners court of the county may acquire by purchase, construction, or otherwise an adequate source of surface or subterranean fresh water for supplying water to the county's courthouse or for other county purposes.

(b) To further an acquisition under Subsection (a), the commissioners court may purchase, construct, repair, and maintain:

(1) a pool, lake, or reservoir;

(2) a well;

(3) a dam; and

(4) any water treatment and distribution facility as may be required.

(c) The county must comply with the applicable water permit provisions of Title 2, Water Code.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.054. LIMITATION ON COST. (a) The total cost of projects undertaken by the county under this subchapter may not exceed \$250,000, excluding interest.

(b) The par value of bonds issued under this subchapter for a project may not exceed \$250,000.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.055. AUTHORITY TO ISSUE BONDS AND IMPOSE AD VALOREM TAXES. (a) To pay the costs of a project, the county may issue bonds payable from and secured by a pledge of the net revenue of the project. The cost of a project may include:

(1) legal, fiscal, and engineering expenses; and

(2) interest during the construction of the project.

(b) If provided in the order issuing a bond, bonds issued under Subsection (a) may be additionally secured by an ad valorem tax imposed under Section 9, Article VIII, Texas Constitution. If the county places any part of the ad valorem tax in a permanent improvement fund, only the ad valorem taxes in that fund may be used as the additional security.

(c) Before a county may issue bonds under Subsection (a) to pay for a project, the bonds must be approved in an election held under Section 1477.057. If an ad valorem tax is to be imposed under

Subsection (b) to secure bonds, the tax must also be approved at the election held to approve the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.056. AMOUNT OF TAX. (a) If bonds issued under this subchapter are to be secured by a tax, the commissioners court shall impose a tax sufficient to pay the interest on the bonds as the interest accrues and the principal as the principal matures.

(b) The order authorizing the issuance of bonds may provide that the amount of tax to be collected each year may be reduced to the extent money is available from pledged project revenue for the payment of interest and principal.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.057. ELECTION. (a) Before construction of a project may begin and before a project may be improved, repaired, or extended under Section [1477.063](#), the commissioners court by resolution must order an election.

(b) In addition to the requirements provided by Chapter [3](#), Election Code, the election order must:

- (1) describe the proposed project;
- (2) state the amount, rate of interest, and maturity dates of bonds to be issued to pay for the proposed project;
- (3) state whether a tax will be imposed to redeem the bonds; and
- (4) state the amount of any tax to be imposed to redeem the bonds.

(c) If a majority of the voters in the county approve the issuance of bonds under this subchapter, the commissioners court shall issue the bonds as provided by this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.058. CONTENTS OF ORDER AUTHORIZING BONDS. The order authorizing issuance of bonds under this subchapter to pay for a project may contain:

- (1) reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including

covenants that state the duties of the county relating to:

- (A) the acquisition of property for the project;
- (B) the construction, maintenance, operation, repair, and insurance of the project; and

- (C) the custody, protection, and application of all money related to the project;

- (2) a statement of the rights and remedies of the bondholders; and

- (3) other provisions that the commissioners court considers reasonable and proper for the security of the bondholders, including covenants prescribing:

- (A) each event that constitutes a default; and
- (B) the rights, liabilities, powers, and duties that arise on breach by the county of a duty or obligation.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.059. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.060. SIGNATURES; REGISTRATION BY COUNTY TREASURER. (a) A bond issued under this subchapter must be:

- (1) signed by the county judge; and
- (2) attested by the county clerk.

(b) The county treasurer shall register a bond issued under this subchapter but is not required to sign the bond.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.061. SALE OF BONDS. The commissioners court shall determine the manner of sale of bonds issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.062. USE OF BOND PROCEEDS. (a) The proceeds of bonds issued under this subchapter may only be used to pay the cost of the project for which the bonds were issued.

(b) The county shall disburse the proceeds of the bonds in

accordance with any restrictions provided in the order authorizing the bonds.

(c) The bondholders have a lien on the proceeds until the proceeds are applied.

(d) The bond proceeds, pending their use for the construction of the project, may be invested in direct obligations of the United States having maturities not more than 91 days from the date of investment.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.063. ADDITIONAL BONDS. (a) Unless otherwise provided in the bond order, if the proceeds of bonds issued to pay for a project are not sufficient to pay the cost of the project, the county may issue additional bonds under this subchapter not to exceed the amount of the deficit.

(b) If permitted by the order originally authorizing bonds to pay for a project, the county may issue additional bonds for improving, repairing, or extending the project.

(c) Bonds issued under Subsection (b):

(1) may be payable:

(A) solely from a pledge of the net revenue of the project; or

(B) from the net revenue of the project and the imposition of an ad valorem tax; and

(2) must be approved at an election in the same manner as bonds originally issued to pay the costs of the project.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.064. RATES AND CHARGES. (a) If bonds issued under this subchapter are secured solely by a pledge of net revenue of the project, the commissioners court shall contract for and impose rates and charges for water supplied by the project that will be sufficient to:

(1) operate and maintain the project;

(2) pay when due the principal of and interest on the bonds; and

(3) establish any reserves provided in the order

authorizing the issuance of the bonds.

(b) A bond secured solely by a pledge of net revenue:

(1) is not a debt of the county issuing the bond;

(2) may be a charge only on pledged revenue of a project;

(3) may not be included in determining the power of the county to issue bonds or incur other debt for any purpose authorized by law; and

(4) must contain the following provision: "The holder of this bond is not entitled to demand payment of this obligation out of any money raised by taxation."

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.065. TAXES PLEDGED TO PAY BONDS. A bond issued under this subchapter that is secured wholly or partially by a pledge of a tax imposed under Section 9, Article VIII, Texas Constitution, is considered to be payable wholly from that tax for the purpose of determining the availability of taxing power of the county to pay an obligation that is payable from that tax.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.066. BONDHOLDER'S RIGHT TO MANDAMUS. (a) The holder of a bond issued under this subchapter is entitled, by mandamus or other proceedings in court, to enforce the holder's rights against:

(1) the county;

(2) the county's employees and agents; and

(3) the employees of the county's agents.

(b) A bondholder's rights include the right to require the county to:

(1) impose and collect sufficient rates and charges to carry out the agreements contained in the bond order; and

(2) perform all agreements and covenants contained in the bond order and the duties arising from those agreements and covenants.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.067. REFUNDING BONDS. Bonds issued to refund bonds issued under this subchapter may only be:

(1) exchanged for bonds being refunded; or

(2) sold and delivered to provide money to pay matured or redeemable bonds maturing or redeemable not later than six months after the date of issuance of the refunding bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.068. EXEMPTION FROM ASSESSMENT OR TAXATION. (a) A county is not required to pay any assessment on a project or any part of a project.

(b) A bond issued under this subchapter, the transfer of the bond, and the income from the bond, including any profit made from the sale of the bond, are exempt from taxation by this state or by a political subdivision of this state.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.069. COUNTY USE OF WATER. A county shall pay for water used by the county for its own facilities from general funds of the county legally available for that purpose, and free service is prohibited.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.070. SALE OF WATER NOT NEEDED FOR COUNTY PURPOSES. (a) The commissioners court may sell, deliver, and distribute any water of the project that is not needed for county purposes to a municipal corporation or political subdivision of this state, or an individual, corporation, or company under terms that the court determines are in the best interests of the county.

(b) The cost of supplying water from a project under Subsection (a), including any increase in the cost of acquisition, storage, treatment, and distribution facilities, is considered a cost of the project.

(c) The commissioners court may not sell water under Subsection (a):

(1) if an adequate public water supply is available to the municipal corporation, political subdivision, individual,

corporation, or company at the time the law codified by this subchapter was adopted by the county; or

(2) for irrigation purposes.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.071. EMINENT DOMAIN. (a) In exercising any power granted by this subchapter, a county may acquire real property and easements by the exercise of the power of eminent domain in accordance with Chapter 21, Property Code.

(b) The commissioners court shall determine the amount and character of interest in real property and easements to be acquired by the exercise of the power of eminent domain.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.072. RELOCATION OR ALTERATION EXPENSE. If a county, in the exercise of a power granted by this subchapter, including the power of eminent domain or the power of relocation, makes necessary the relocation, rerouting, or alteration of the construction of a highway, railroad, electric transmission line, pipeline, or telephone or telegraph property or facility, the relocation, rerouting, or alteration of construction must be accomplished at the sole expense of the county. In this section, "sole expense" means the actual cost of the relocation, rerouting, or alteration of construction to provide comparable replacement without enhancement of the facility, after deduction of the net salvage value derived from the old facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.073. ESSENTIAL GOVERNMENTAL FUNCTION. A county, in accomplishing the purposes of this subchapter, is performing an essential governmental function.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER C. NATURAL GAS SYSTEM FOR COUNTY BUILDINGS IN CERTAIN COUNTIES

Sec. 1477.101. APPLICABILITY OF SUBCHAPTER. This

subchapter applies only to a county in which:

(1) the commissioners court adopts this subchapter by an order approved by a majority vote of the court's members; and

(2) the county seat is an unincorporated community or city with a population of more than 5,000, according to the most recent federal census, on the date on which the order is adopted.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.102. AUTHORITY TO ACQUIRE NATURAL GAS SYSTEM. The commissioners court of the county may purchase or construct a natural gas system for supplying natural gas to county buildings adequately and dependably.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.103. NATURAL GAS SYSTEM FACILITIES. The county may construct, repair, and maintain natural gas supply or distribution facilities as required to supply natural gas to county buildings.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.104. AUTHORITY TO ISSUE BONDS. To pay the cost of purchasing or constructing a natural gas system under this subchapter, the county may issue bonds payable from and secured by a pledge of the net revenue of the system. The cost of the system may include:

- (1) legal, fiscal, and engineering expenses;
- (2) interest that accrues during the construction of the system; and
- (3) the cost of supplying gas under Section [1477.119](#), including any increase in the cost of distribution lines or facilities.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.105. BONDS NOT PAYABLE FROM TAXES. (a) A bond issued under this subchapter:

- (1) is not a debt of the county;
- (2) may be a charge only on the revenue pledged for the

payment of the bond; and

(3) may not be included in determining the power of the county to issue bonds or incur other indebtedness for any purpose authorized by law.

(b) Each bond issued under this subchapter must contain the following provision: "The holder of this obligation is not entitled to demand payment of this obligation from any money raised by taxation."

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.106. NOTICE OF INTENTION TO ISSUE BONDS. (a) The commissioners court of the county may not authorize bonds under this subchapter until the court gives notice of its intention to issue the bonds.

(b) The notice must state, as to the proposed bonds:

(1) the maximum amount of the issue;

(2) the maximum interest rate;

(3) the maximum maturity; and

(4) the time and place at which the court intends to authorize the bonds.

(c) The notice must be published in a newspaper of general circulation in the county once a week for two consecutive weeks, with the first publication being at least 14 full days before the date set for authorization of the bonds.

(d) The commissioners court may authorize the bonds at the time and place specified in the notice except as provided by Section [1477.107](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.107. ELECTION. (a) If, before the bonds are authorized, the commissioners court receives a petition requesting an election on the issuance of the bonds that is signed by more than 10 percent of the county's registered voters who are resident owners of taxable property in the county, the court may not proceed unless a proposition for the issuance of the bonds is approved at an election held for that purpose.

(b) The Election Code applies to an election under this

subchapter except as otherwise provided by this subchapter.

(c) In addition to the notice required by Section 4.003, Election Code, a substantial copy of the resolution calling the election shall be published in a newspaper of general circulation in the county once a week for two consecutive weeks, with the first publication being at least 14 full days before the election.

(d) The election returns shall be made to the court within five days of the election.

(e) The court may authorize the bonds only if the issuance is approved by a majority of the qualified voters of the county voting in the election.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.108. CONTENTS OF ORDER AUTHORIZING BONDS. An order authorizing the issuance of bonds under this subchapter may contain:

(1) reasonable and proper provisions for protecting and enforcing the rights or remedies of the bondholders, including covenants that state the duties of the county relating to:

(A) the acquisition of property for the natural gas system;

(B) the construction, maintenance, operation, repair, and insurance of the system; and

(C) the custody, protection, and application of all money related to the system;

(2) a statement of the rights and remedies of the bondholders; and

(3) other provisions that the commissioners court considers reasonable and proper for the security of the bondholders, including covenants prescribing:

(A) each event that constitutes a default; and

(B) the rights, liabilities, powers, and duties that arise on the breach by the county of a duty or obligation.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.109. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.110. SIGNATURES; REGISTRATION BY COUNTY TREASURER. (a) A bond issued under this subchapter must be signed by the county judge and attested by the county clerk.

(b) The county treasurer shall register a bond issued under this subchapter but is not required to sign the bond.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.111. SALE OF BONDS. The commissioners court shall determine the manner of sale of bonds issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.112. USE OF BOND PROCEEDS. (a) The county shall disburse the proceeds of bonds issued under this subchapter in accordance with any restrictions provided in the order authorizing the bonds.

(b) The bondholders have a lien on the proceeds until the proceeds are applied.

(c) The bond proceeds, pending their use for the construction of the project, may be invested in direct obligations of the United States having maturities not more than 91 days from the date of investment.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.113. ADDITIONAL BONDS. (a) Unless otherwise provided by the order authorizing the bonds, if the proceeds of bonds issued to pay for a natural gas system are not sufficient to pay the cost of the system, the county may issue additional bonds under this subchapter not to exceed the amount of the deficit.

(b) If permitted by the order originally authorizing bonds to pay for a natural gas system, the county may issue additional bonds for improving, repairing, or extending the system.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.114. GAS RATES AND CHARGES. The commissioners

court shall contract for and impose rates and charges for gas supplied by the natural gas system that will be sufficient to:

- (1) operate and maintain the system;
- (2) pay when due the principal of and interest on any bonds issued under this subchapter; and
- (3) establish any reserves provided for in the order authorizing the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.115. BONDHOLDER'S RIGHT TO MANDAMUS. (a) A holder of a bond issued under this subchapter is entitled, by mandamus or other proceedings in court, to enforce the holder's rights against:

- (1) the county;
- (2) county employees and agents; and
- (3) the employees of the county's agents.

(b) A bondholder's rights include the right to require the county to:

- (1) impose and collect sufficient rates and charges to carry out the agreements contained in the bond order; and
- (2) perform all agreements and covenants contained in the bond order and the duties arising from those agreements or covenants.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.116. REFUNDING BONDS. Bonds issued to refund bonds issued under this subchapter may only be:

- (1) exchanged for bonds being refunded; or
- (2) sold and delivered to provide money to pay matured or redeemable bonds maturing or redeemable not later than six months after the date of issuance of the refunding bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.117. EXEMPTION FROM ASSESSMENT OR TAXATION. (a) A county is not required to pay any assessment on a natural gas system or any part of a natural gas system acquired or constructed under this subchapter.

(b) A bond issued under this subchapter, a transfer of the bond, and the income from the bond, including any profit made from the sale of the bond, are exempt from taxation by this state or a political subdivision of this state.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.118. COUNTY USE OF GAS. The county shall pay for gas used by the county for its own facilities from general funds of the county legally available for that purpose, and free service is prohibited.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.119. SALE OF GAS NOT NEEDED FOR COUNTY PURPOSES. The commissioners court may sell, deliver, and distribute natural gas of a natural gas system purchased or constructed under this subchapter that is not needed for county purposes to a municipal corporation or political subdivision of this state, or an individual, corporation, or company under terms that the court determines are in the best interests of the county.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.120. EMINENT DOMAIN. (a) The county may not acquire a natural gas system or a facility of a natural gas system under this subchapter by the exercise of the power of eminent domain or exercise the power of eminent domain under this subchapter outside the county's boundaries. The county may acquire land or an easement for a purpose authorized by this subchapter by the exercise of the power of eminent domain in the manner provided by Chapter 21, Property Code.

(b) The commissioners court shall determine the amount of and character of interest in the land or easement to be acquired by the exercise of the power of eminent domain.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.121. RELOCATION OR ALTERATION EXPENSE. If a county, in the exercise of a power under this subchapter, including the power of eminent domain or the power of relocation, makes

necessary the relocation or rerouting of, or alteration of the construction of, a highway, railroad, electric transmission line or pipeline, or telegraph or telephone property or facility, the relocation or rerouting or alteration of construction must be accomplished at the sole expense of the county.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.122. ESSENTIAL GOVERNMENTAL FUNCTION. A county, in accomplishing the purposes of this subchapter, is performing an essential governmental function.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER D. OBLIGATIONS FOR FIRE-FIGHTING EQUIPMENT

Sec. 1477.151. AUTHORITY TO PURCHASE FIRE-FIGHTING EQUIPMENT. The commissioners court of a county may purchase fire trucks and other fire-fighting equipment to be used for the protection and preservation of bridges, county shops, county warehouses, and other county property located in the county but outside the boundaries of municipalities.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.152. AUTHORITY TO ISSUE OBLIGATIONS AND IMPOSE TAXES. (a) The county may issue time warrants and bonds of the county for a purchase under Section [1477.151](#) and may impose taxes for the payment of those time warrants or bonds. The county shall deposit the taxes in the general fund of the county.

(b) The time warrants or bonds must be authorized by a majority of the qualified voters voting at an election held for that purpose by the commissioners court.

(c) The county must issue the time warrants or bonds and impose taxes in compliance with Subtitles A and C.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.153. LIMIT ON AMOUNT OF OBLIGATIONS. A county may issue time warrants or bonds under this subchapter only in an amount that will at all times leave unencumbered taxes in an amount

sufficient to pay all current expenses from the county's general fund.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER E. CERTIFICATES OF INDEBTEDNESS FOR FIREFIGHTER TRAINING FACILITIES

Sec. 1477.201. AUTHORITY TO ISSUE CERTIFICATES OF INDEBTEDNESS. The commissioners court of a county may issue certificates of indebtedness to acquire, construct, repair, renovate, improve, or equip firefighter training facilities for the county and to acquire property in connection with that purpose.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.202. AUTHORITY TO IMPOSE AND PLEDGE AD VALOREM TAX. The commissioners court shall impose and pledge annual county ad valorem taxes under Section 9, Article VIII, Texas Constitution, in an amount sufficient to pay the principal of and interest on certificates of indebtedness as they become due.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.203. LIMIT ON AMOUNT OF INDEBTEDNESS. The aggregate principal amount of certificates of indebtedness issued by a county under this subchapter may not exceed \$5 million.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.204. ELECTION. (a) The commissioners court may issue certificates of indebtedness under this subchapter only if the certificates are approved by a majority of the qualified voters voting at an election held for that purpose by the commissioners court.

(b) An election under this subchapter shall be held on the next uniform election date authorized by Section 41.001, Election Code, that occurs not earlier than the 20th day after the date on which the election is called.

(c) The commissioners court shall order the ballot at the election to be printed to permit voting for or against the

proposition: "Issuing certificates of indebtedness by the county to acquire, purchase, construct, repair, renovate, improve, or equip firefighter training facilities or to purchase real or personal property in connection with those facilities."

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.205. MATURITY. A certificate of indebtedness issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.206. OPERATION OF FIREFIGHTER TRAINING FACILITIES. (a) The commissioners court may:

(1) operate and maintain the county's firefighter training facilities; and

(2) set and collect charges for:

(A) services performed at those facilities; and

(B) information furnished to others by the use of those facilities.

(b) The commissioners court shall pay the expenses of operating and maintaining the county's firefighter training facilities from:

(1) charges collected under Subsection (a); and

(2) any other available county funds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER F. BONDS FOR SURVEYS, MAPS, AND PLATS IN COUNTIES WITH POPULATION OF 500,000 OR MORE

Sec. 1477.251. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county with a population of 500,000 or more.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.252. AUTHORITY TO ISSUE BONDS AND IMPOSE TAXES. (a) If the subdivisions of surveys in a county are irregularly numbered or if the blocks and subdivisions of municipalities in the

county are not numbered or are irregularly numbered, causing difficulties for the county tax assessor-collector, the commissioners court of the county may:

(1) make a survey and acquire related maps and plats of blocks and subdivisions in the county; and

(2) furnish to the county tax assessor-collector:

(A) block books showing the description of each block and subdivision in the county;

(B) the names of the record owners of each parcel of property in each block book, if known; and

(C) other information relating to Paragraphs (A) and (B) that will assist in the performance of the duties of the tax assessor-collector.

(b) The commissioners court may issue bonds to pay the cost of taking an action under Subsection (a).

(c) The commissioners court may impose taxes under Section 9, Article VIII, Texas Constitution, to pay for bonds issued under Subsection (b).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.253. ELECTION PROPOSITION. (a) At an election to approve the issuance of bonds under this subchapter, the commissioners court may submit one or more separate propositions for the issuance of bonds.

(b) Each proposition submitted at a bond election under this subchapter may include one or more of the purposes authorized by Section 1477.252.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.254. BONDS OBLIGATION OF COUNTY. (a) A bond issued under this subchapter is an obligation of and a charge against the county issuing the bond.

(b) Except as provided by this subchapter, a county must issue bonds under this subchapter and impose taxes in compliance with applicable provisions of Subtitles A, C, and D.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER G. REVENUE BONDS FOR IMPROVEMENTS TO ATTRACT VISITORS OR
TOURISTS IN CERTAIN COUNTIES

Sec. 1477.301. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county:

- (1) with a population of more than 3.3 million; or
- (2) with a population of more than 90,000 that borders the United Mexican States other than a county that contains three or more municipalities that each have a population of more than 17,500.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.
Amended by Acts 2001, 77th Leg., ch. 669, Sec. 25, eff. Sept. 1, 2001.

Sec. 1477.302. AUTHORITY FOR VISITOR OR TOURIST ATTRACTIONS. A county may establish, acquire, lease as lessor or lessee, construct, improve, enlarge, equip, repair, operate, or maintain:

- (1) a public improvement or facility to attract visitors or tourists to the county, including a civic center, a civic center building, an auditorium, an exhibition hall, a coliseum, stadium, or other sports facility; or

- (2) a parking facility located at or in the immediate vicinity of an improvement or facility described by Subdivision (1) to be used in connection with the improvement or facility for off-street parking or storage of motor vehicles or other conveyances.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.303. AUTHORITY TO ISSUE REVENUE BONDS. The commissioners court of the county by order may issue revenue bonds to provide all or part of the money to establish, acquire, construct, improve, enlarge, equip, or repair a facility described by Section [1477.302](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.304. PLEDGE OF REVENUE. (a) Bonds issued under

this subchapter must be secured by a pledge of and be payable from all or a designated part of the revenue from the improvement or facility for which the bonds are issued, as provided in the order authorizing the bonds.

(b) The pledge securing the bonds is inferior to any previous pledge of the revenue for the payment of revenue bonds or revenue refunding bonds that are outstanding.

(c) A county that leases a facility described by Section [1477.302](#) as lessee may pledge all or part of the revenue from the facility to the lease payments.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.305. LIEN ON FACILITY. Subject to any limitations contained in previous pledges, in addition to pledging the revenue from the improvement or facility, the commissioners court may give a lien on the physical property acquired with the bond proceeds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.306. BONDS NOT PAYABLE FROM TAXATION; EXCEPTION.

(a) The owner or holder of a bond issued under this subchapter is not entitled to demand payment of the principal of or interest on the bond from money raised by taxation.

(b) Subsection (a) does not apply to a demand for payment from hotel occupancy taxes that are pledged under Chapter [352](#), Tax Code, to the payment of the bond.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.307. CONTENTS OF ORDER AUTHORIZING BONDS. (a) The order of the commissioners court authorizing the issuance of bonds under this subchapter may provide for the flow of funds and the establishment and maintenance of an interest and sinking fund, a reserve fund, or other fund.

(b) The order may:

(1) prohibit the issuance of additional bonds or other obligations payable from the pledged revenue; or

(2) reserve the right of the commissioners court,

subject to any condition in the order, to issue additional bonds payable from the pledged revenue that are on a parity with or subordinate to the lien and pledge on the revenue that supports the bonds issued under the order.

(c) The commissioners court may include in the order any other provision or covenant, including a covenant with respect to the bonds, the use or pledge of revenue, or the operation, lease, or maintenance of the improvement or facility.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.308. ADOPTION AND EXECUTION OF DOCUMENTS. The commissioners court may adopt and have executed any other proceeding or instrument necessary or convenient to the issuance of bonds under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.309. MATURITY. A bond issued under this subchapter must mature not later than 40 years after its date.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.310. SIGNATURES. A bond issued under this subchapter must be:

- (1) signed by the county judge; and
- (2) countersigned by the county clerk.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.311. SALE OF BONDS. The commissioners court may sell bonds issued under this subchapter under terms the court determines to be the most advantageous and reasonably obtainable.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.312. USE OF BOND PROCEEDS. (a) From the proceeds of bonds issued under this subchapter, the county may appropriate or set aside amounts to:

- (1) pay interest expected to accrue during the construction period;
- (2) deposit into a reserve fund, as provided in the

order authorizing the bonds; and

(3) pay all expenses incurred in the issuance, sale, and delivery of the bonds.

(b) The bond proceeds, until they are needed to implement the purpose for which the bonds were issued, may be invested in direct obligations of the United States, placed on time deposit, or both.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.313. INVESTMENT OF FUNDS. Money in an interest and sinking fund, reserve fund, or any other fund established or provided for in the bond order may be invested in the manner and in the securities as provided in the bond order.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.314. CHARGES FOR SERVICES. The commissioners court shall impose and collect charges for the use of an improvement or facility the revenue of which is pledged to secure bonds issued under this subchapter, and for services provided in connection with that use, in amounts at least sufficient to comply with each covenant or provision in the order authorizing the issuance of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.315. REFUNDING BONDS. (a) A county by order may issue revenue refunding bonds similarly secured to refund either original bonds or revenue refunding bonds previously issued by the county under this subchapter.

(b) The refunding bonds shall be executed as provided by this subchapter for original bonds.

(c) The comptroller shall register the refunding bonds on the surrender and cancellation of the bonds to be refunded.

(d) In lieu of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the county, in the order authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in the place bonds to be refunded are payable. In that

case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER H. REVENUE ANTICIPATION NOTES IN CERTAIN COUNTIES

Sec. 1477.351. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county that has a county auditor.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.352. AUTHORITY TO ISSUE REVENUE ANTICIPATION NOTES. The county may issue revenue anticipation notes to pay for current expenses of the county only if the county auditor:

- (1) recommends that action; and
- (2) identifies the revenue anticipated to be used for repayment of the notes.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.353. LIMIT ON AMOUNT OF NOTES. (a) The total amount of revenue anticipation notes issued by the county under this subchapter may not exceed 50 percent of the amount of taxes levied by the county for the year in which the notes are issued.

(b) For purposes of Subsection (a), the total amount of revenue anticipation notes includes the:

- (1) principal of the notes;
- (2) interest to be paid on the notes; and
- (3) cost of issuance of the notes.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.354. MATURITY. (a) A revenue anticipation note issued under this subchapter must mature not later than the last day of the fiscal year in which the note is issued, except as provided by Subsection (b).

(b) A revenue anticipation note issued under this

subchapter may mature not later than the last day of the first quarter of the fiscal year following the fiscal year in which the note is issued if the revenue dedicated to retire the note has accrued but has not been received by the county in the fiscal year in which the note is issued.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.355. REVENUE AVAILABLE FOR PAYMENT OF NOTES. A county may use any revenue of the county not otherwise dedicated or restricted, including ad valorem taxes, for the payment of a revenue anticipation note issued under this subchapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER I. OBLIGATIONS IN COUNTIES WITH POPULATION OF LESS THAN 8,600

Sec. 1477.401. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a county with a population of less than 8,600.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.402. AUTHORITY TO BORROW. (a) The county may borrow money under this subchapter from any source.

(b) The total combined principal amount borrowed under this subchapter may not exceed \$200,000.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.403. AUTHORITY TO ISSUE OBLIGATIONS. The commissioners court of the county may issue time warrants or other obligations of the county in evidence of money borrowed under Section [1477.402](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.404. AUTHORITY TO IMPOSE AND PLEDGE TAXES AND REVENUES. The county may impose taxes and may pledge taxes and other revenue of the county for the payment of money borrowed under Section [1477.402](#).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.405. MATURITY. A time warrant or obligation issued under this subchapter must be payable within 10 years.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.406. SIGNATURES. A time warrant or obligation issued under this subchapter must be signed by the county judge and the county clerk.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1477.407. VALIDITY OF OBLIGATION. A time warrant or other obligation that is issued and signed in compliance with this subchapter is a valid obligation of the county.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.